

Robinson, Little & Company, Limited

THE HOME OF ROBINSON STORES

1093 SHERWIN ROAD, WINNIPEG, MANITOBA - R3H 0T9



Birthday



ANNUAL REPORT
1974

A BUSINESS IS PEOPLE



THE PRESIDENT'S REPORT TO THE SHAREHOLDERS

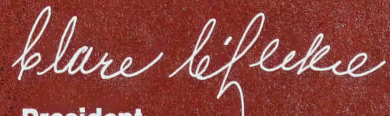
The fiscal period ending December 31st, 1974 has been made noteworthy by two outstanding events. We have completed the 100th year in business, and it has been the most profitable year in our history.

The combination of these two events provide assurance that the business principles by which the operations of the Company are guided are not only fundamentally sound but have been progressively adapted to the current needs of our time.

Your management has deemed it fitting to celebrate the centenary of Robinson, Little & Company in the four main areas in which we carry on our operations.

The theme at these birthday celebrations will be to let the communities we serve know the important role your Company, as an all Canadian Company, plays throughout Western Canada.

The main thrust for 1975 is not only to make ourselves better known but to cope with such problems that may well be a challenge on the National Scene.

A handwritten signature in cursive script, reading "Clare C. Fiske".

President



DIRECTORS INFORMATION

CLARE C. LECKIE, Chairman of the Board;
President and General Manager,
Robinson, Little & Company, Limited,
Winnipeg, Manitoba.

E. J. R. WRIGHT, B.A., Q.C., Vice-President,
Robinson, Little & Company, Limited;
Senior Partner of the Law Firm of
Wright & Associates, London, Ontario.

A. H. WATSON, LL.D.
Retired Banker, Saskatoon, Saskatchewan.

F. C. ADAMS, President,
Charlton Consultants, London, Ontario.

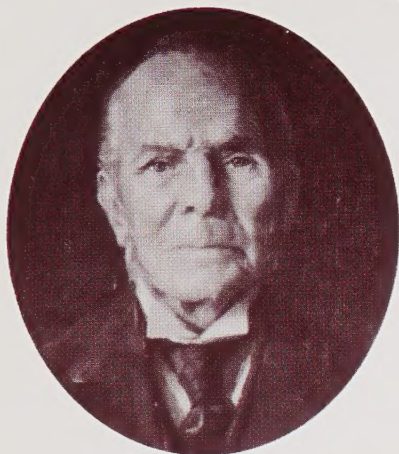
J. ARNOLD BEARDEN, B.Sc., B.Sc. E.E.,
Manager, Education & Development,
Robinson, Little & Company, Limited,
Winnipeg, Manitoba.

D. J. REIMER, Vice-President and Treasurer,
Reimer Express Lines Ltd.,
Winnipeg, Manitoba.

J. T. McJANNET, B.A., LL.B.,
Partner in Law Firm of Pitblado & Hoskin,
Director, Winnipeg Supply &
Fuel Company Limited, Winnipeg, Manitoba.

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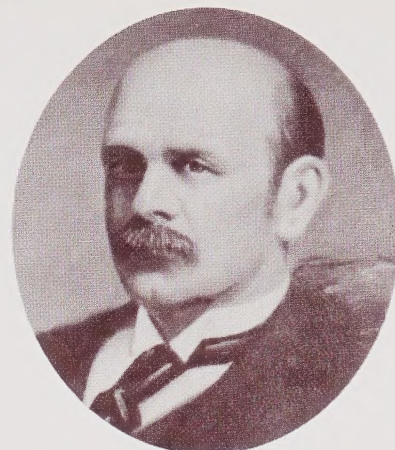


George Robinson



FOUNDERS

1875



Lt. Col. J. W. Little



Clare C. Leckie

PRESIDENT 1975



Robinson Little & Company Limited

AND SUBSIDIARY COMPANY

	1974	1973	1972	1971	1970
Sales	\$33,225,000	\$25,673,000	\$23,956,000	\$19,997,000	\$14,821,000
Dividends Paid on Class 'A' Shares	.10	.10	.10	.10	.10
Earnings per Common Share after Class 'A' Dividends	*.70	*.37	.37	.80	.41
Dividends paid on Common Shares	.12	.12	.11	.10	.08
Fully Diluted Earnings per Share	*.62	*.33	.33	.58	.31

Earnings per share and dividends have been re-stated for the years 1970 and 1971 to reflect the subdivision of all shares on a 10 for 1 basis, which became effective May 8, 1972.

*372,000 additional Common Shares were issued January 15, 1973.

HEAD OFFICE	—	1093 Sherwin Road, Winnipeg, Manitoba. R3H 0T9	
TRANSFER AGENT	—	The Royal Trust Company —	Winnipeg, Manitoba. Regina, Saskatchewan. Toronto, Ontario. Calgary, Alberta. Montreal, Quebec. Vancouver, B.C.
AUDITORS	—	Riddell Stead & Company, Chartered Accountants.	
BANKERS	—	The Toronto Dominion Bank.	
ANNUAL MEETING	—	Meeting Friday, 25th of April, 1975, at 11:00 A.M. at the Company's Head Office.	

OFFICERS

CLARE C. LECKIE	—	Chairman of the Board, President and General Manager.
E. J. R. WRIGHT	—	Vice-President.
B. BRUCE LECKIE	—	Secretary.
J. H. LECKIE	—	Treasurer.

AUDITORS' REPORT

To The Shareholders
Robinson, Little & Company, Limited

We have examined the consolidated balance sheet of Robinson, Little & Company, Limited and its subsidiary as at December 31, 1974 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Riddell, Stead & Co.

CHARTERED ACCOUNTANTS

March 14, 1975

**CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1974**

ASSETS

Current Assets

	1974	1973
Cash	\$ 685,564	\$ 792,067
Accounts receivable	1,909,106	1,529,461
Merchandise inventory at lower of cost and net realizable value	10,863,846	7,254,504
Prepaid expenses	34,432	51,966
	<u>13,492,948</u>	<u>9,627,998</u>

Fixed Assets

	Cost	Accumulated Depreciation		
Buildings	\$ 139,190	\$ 88,670	50,520	54,717
Furniture and equipment	1,423,242	815,227	608,015	810,899
	<u>\$1,562,432</u>	<u>\$903,897</u>	658,535	865,616
Land at cost			23,306	11,307
Unamortized leasehold improvements at cost			39,261	45,977
			<u>721,102</u>	<u>922,900</u>

Other Assets (Note 3)

Management contract at cost less amounts amortized	1,251,268	1,324,872
Unamortized debenture issue costs	91,822	98,799
	<u>1,343,090</u>	<u>1,423,671</u>

\$15,557,140

\$11,974,569

Signed on behalf of the Board:

CLARE C. LECKIE, Director

E. J. R. WRIGHT, Director

LIABILITIES

Current Liabilities

	1974	1973
Bank indebtedness (Note 6)	\$ 1,500,000	\$ 400,000
Accounts payable and accrued liabilities	5,062,914	3,768,505
Income and other taxes	1,156,779	500,983
Current maturities on long-term debt	109,000	140,000
	<u>7,828,693</u>	<u>4,809,488</u>

Long-Term Debt less current maturities

9% Note payable in minimum annual instalments of \$100,000	400,000	500,000
9% % Debentures payable, due January 15, 1988 (Note 4)	1,470,000	1,510,000
	<u>1,870,000</u>	<u>2,010,000</u>
Deferred Income Taxes	46,418	41,830
Lease Commitments (Note 2)		

SHAREHOLDERS' EQUITY

Capital Stock

Authorized

63,925	Class "A" shares of no par value
2,550,000	Common shares of no par value
2,000,000	6% voting, non-cumulative deferred shares, par value 10c each

Issued

63,925	Class "A" shares	2,284,832	2,284,832
1,198,075	Common shares		
2,000,000	Deferred shares	200,000	200,000
		<u>2,484,832</u>	<u>2,484,832</u>
Retained Earnings		3,327,197	2,606,675

EXCESS OF BOOK VALUE OF NET ASSETS OF THE SUBSIDIARY COMPANY OVER COST OF THE SHARES AT DATE OF ACQUISITION (Note 1)

	21,744
<u>5,812,029</u>	<u>5,113,251</u>
<u>\$15,557,140</u>	<u>\$11,974,569</u>

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1974**

	1974	1973
Balance at Beginning of Year	\$2,606,675	\$2,311,561
Excess of book value over cost of shares of subsidiary (Note 1)	21,744	—
Net earnings for the year	848,940	445,202
	<u>3,477,359</u>	<u>2,756,763</u>
 Dividends paid		
Class "A"	6,390	6,763
Common	143,772	143,325
	<u>150,162</u>	<u>150,088</u>
Balance at End of Year	<u>\$3,327,197</u>	<u>\$2,606,675</u>

**CONSOLIDATED STATEMENT OF EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1974**

Robinson Little & Company Limited
AND SUBSIDIARY COMPANY

	1974	1973
Net Sales	<u>\$33,224,561</u>	<u>\$25,673,056</u>
Net Earnings on Operations for the year, before deducting the undernoted items	<u>\$ 2,581,602</u>	<u>\$ 1,528,419</u>
Deduct		
Depreciation and amortization	157,918	189,085
Contribution to employees' retirement plan	268,611	132,787
Amortization of management contract (Note 3)	73,604	73,604
Amortization of debenture issue costs (Note 3)	6,977	6,431
Interest on long-term debt	189,726	197,003
	<u>696,836</u>	<u>598,910</u>
Earnings before income taxes	<u>1,884,766</u>	<u>929,509</u>
Provision for Income Taxes		
Current	1,031,238	442,477
Deferred	4,588	41,830
	<u>1,035,826</u>	<u>484,307</u>
Net Earnings	<u>\$ 848,940</u>	<u>\$ 445,202</u>
Earnings per share	<u>\$.70</u>	<u>\$.37</u>
Fully diluted earnings per share	<u>\$.62</u>	<u>\$.33</u>

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1974**

Source of Funds	1974	1973
Operations		
Net earnings	\$ 848,940	\$ 445,202
Items not involving funds		
Depreciation and amortization	157,918	189,085
Amortization of management contract (Note 3)	73,604	73,604
Amortization of debenture issue costs (Note 3)	6,977	6,431
Gain on sale of fixed assets	(37,492)	(32,941)
Deferred income taxes	4,588	41,830
	<u>1,054,535</u>	<u>723,211</u>
Proceeds from disposal of fixed assets	287,423	274,856
Proceeds from capital stock issue	—	2,046,265
Proceeds from debenture issue	—	1,550,000
	<u>1,341,958</u>	<u>4,594,332</u>
Application of Funds		
Purchase of fixed assets	206,051	470,671
Purchase of leasehold improvements	—	22,823
Reduction of long-term debt	140,000	140,000
Debenture issue costs	—	105,230
Dividends	150,162	150,088
	<u>496,213</u>	<u>888,812</u>
Increase in Working Capital	845,745	3,705,520
Working capital at beginning of year	4,818,510	1,112,990
Working Capital at End of Year	<u>\$5,664,255</u>	<u>\$4,818,510</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1974

1. Principles of Consolidation

The financial statements of the company have been consolidated with those of its wholly-owned subsidiary, The Brock Company (Western) Limited. Inter-company transactions have been eliminated for consolidation purposes. The excess of book value of the net assets over the cost of shares at date of acquisition in the amount of \$21,744 has been transferred to retained earnings.

2. Lease Commitments

The total rental paid for the year ended December 31, 1974 under leases for furniture and fixtures, store and warehouse facilities was as follows:

	Total Rental Obligation	Dealers' Obligation	Net Rental
Furniture and fixtures, store and warehouse facilities	\$1,581,548	\$218,179	\$1,363,369

The minimum annual rental commitments under executed leases for furniture and fixtures, store and warehouse facilities (exclusive of occupancy charges and additional rental payable based on a percentage of gross sales) and the annual rental to be paid by dealers for store locations are as follows for the year ending December 31:

	Total Rental Obligation	Dealers' Obligation	Net Minimum Rental
1975	\$1,617,179	\$170,252	\$1,446,927
1976	1,370,280	146,323	1,223,957
1977	1,185,562	133,791	1,051,771
1978	1,065,308	120,211	945,097
1979	932,916	101,061	831,855

These agreements have options to renew for further periods from five to fifteen years.

3. Other Assets

The management contract is being written off to operations over a 20-year period in equal annual charges of \$73,604. The debenture issue costs are being written off to operations over 15 years in equal annual charges of \$6,977.

4. Sinking Fund

The company will provide a Sinking Fund sufficient to retire \$40,000 of Series "A" Debentures, on July 15 in each of the years 1975 to 1979 and \$140,000 on July 15 in each of the years 1980 to 1987. Such payments together with a payment of \$190,000 at maturity date will provide for the retirement of all Series "A" Debentures. The company has provided in advance \$31,000 of its Sinking Fund requirements for 1975.

5. Statutory Information

	1974	1973
Number of directors	11	9
Directors' remuneration as directors	\$ 5,850	\$ 7,200
Number of officers	4	4
Officers' remuneration as officers	130,720	126,650
Number of officers who are also directors ..	4	3

6. Bank Indebtedness

The bank loan is secured by a general assignment of book debts and by a debenture giving the bank a floating charge on the assets of the company.

